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SIPDIS

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SUBJECT: BULGARIAN GOVERNMENT ESTIMATES HIGHER ECONOMIC COST FROM FLOODING

Ref: (A) SOFIA 1224; (B) SOFIA 1272

11. SUMMARY: The situation in Bulgaria is slowly improving after weeks of heavy rains and flooding. However, conditions remain dangerous in some areas, and on August 4 the government declared a state of disaster in three municipalities. There have been 17 flood-related deaths and more than 60 percent of the country has been affected. Nearly 2 thousand Bulgarians have lost their homes. The Bulgarian government estimates the damage at nearly USD 250 million, which is considerably higher than the initial estimate. To date the Bulgarian government has allocated USD 10 million for immediate flood relief and has received over USD 1 million from international organizations. The Bulgarian government hopes that the majority of flood assistance will come from the European Union. The U.S. is the largest bilateral donor to date. END SUMMARY.

EXTENSIVE FLOODING: GOVERNMENT REPORTS HIGHER DAMAGES

12. A report issued by the Bulgarian government August 4 confirms that flooding was widespread, severe and protracted, and estimates the economic cost at USD 248.7 million. Twenty-five regions (131 municipalities) sustained significant damage, representing 63 percent of the territory of Bulgaria. One forth of the Bulgarian population was affected, and there were 17 flood-related deaths. The report shows that 176 houses were completely destroyed and 396 are unfit for living. A total of 1,716 people lost their homes and were evacuated.

13. Despite concerns by bread producers that prices would rise due to ruined grain crops, according to a report by the Agriculture Minister, Nihat Kabil, there was no significant damage to agricultural production. The report states that only 3 percent of the grain fields were flooded. The harvest is proceeding normally and is near completion, and there is no reason to expect higher bread prices, Kabil said.

MUNICIPALITIES REQUEST ADDITIONAL ASSISTANCE

14. The Bulgarian government has acknowledged that it cannot cope with this natural disaster on its own, though the Council of Ministers' emergency commission allocated 16 million Bulgarian leva for immediate flood relief (USD 10.13 million). Municipal authorities, however, have already voiced their concern that the costs to mitigate the consequences of the recent flooding are significantly higher. The Association of Municipalities has requested an additional 50 million Bulgarian leva (32 million USD) from the central government. The additional funds are required to cover the costs of reconstruction of municipal infrastructure.

INTERNATIONAL COMMUNITY RESPONDS TO GOVERNMENT'S APPEAL FOR ASSISTANCE

15. The Bulgarian government hopes that the European Union's Solidarity Fund will provide a large portion of the flood assistance (ref B). On behalf of the European Union, the UK Presidency extended its condolences to those affected by the recent flooding in Bulgaria and expressed its gratitude that a number of EU member states have already provided bilateral aid. To date, Bulgaria has received assistance from Austria (50,000 sand bags), Greece (20,000 euros), the Czech Republic (equipment and disinfectants worth 17,000 euros) and Slovakia (household utensils and equipment worth USD 40,000). USAID/OFDA has donated USD 450,000, making the U.S. the largest donor to date.

16. COMMENT: The World Health Organization's July report on the flooding in Bulgaria notes that emergency agencies responded rapidly and effectively to the situation. However, internal governmental response to the flooding highlights the lack of co-ordination between municipalities and the central government, and this has led to a dispute over the scale of the state's assistance. The recent crisis also illuminated the need to improve local legislation for handling emergency situations and to establish an early warning system. The ad-hoc Parliamentary Flood Relief Committee has said that current legislation and implementation regulations related to crisis response are

ineffective, and has also questioned the structure of
national agencies that provide support in a crisis
situation. END COMMENT
LEVINE